

HOUSE BILL 1187

C5

2lr2442

By: **Delegates Jameson, Barkley, Barnes, Barve, Feldman, Hershey, Hucker, Kramer, Love, Minnick, Schuh, and Vaughn**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2012

CHAPTER _____

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Solar Energy and Solar Water**
3 **Heating Systems**

4 FOR the purpose of altering the minimum required percentage of Tier 1 renewable
5 energy that must be derived from solar energy in the State's renewable energy
6 portfolio standard in certain years; authorizing the Public Service Commission,
7 in consultation with the Maryland Energy Administration, to identify an
8 equivalent certification for measurement for energy generated by certain solar
9 water heating systems for certain purposes; authorizing the Commission, in
10 consultation with the Administration, to approve an equivalent certification
11 body to set certain standards; providing for the application of this Act; and
12 generally relating to solar energy.

13 BY repealing and reenacting, with amendments,
14 Article – Public Utilities
15 Section 7–703 and 7–704(g)
16 Annotated Code of Maryland
17 (2010 Replacement Volume and 2011 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Public Utilities**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 7-703.

2 (a) (1) (i) The Commission shall implement a renewable energy
3 portfolio standard that, except as provided under paragraph (2) of this subsection,
4 applies to all retail electricity sales in the State by electricity suppliers.

5 (ii) If the standard becomes applicable to electricity sold to a
6 customer after the start of a calendar year, the standard does not apply to electricity
7 sold to the customer during that portion of the year before the standard became
8 applicable.

9 (2) A renewable energy portfolio standard may not apply to electricity
10 sales at retail by any electricity supplier:

11 (i) in excess of 300,000,000 kilowatt-hours of industrial process
12 load to a single customer in a year;

13 (ii) to residential customers in a region of the State in which
14 electricity prices for residential customers are subject to a freeze or cap contained in a
15 settlement agreement entered into under § 7-505 of this title until the freeze or cap
16 has expired; or

17 (iii) to a customer served by an electric cooperative under an
18 electricity supplier purchase agreement that existed on October 1, 2004, until the
19 expiration of the agreement.

20 (b) The renewable energy portfolio standard shall be as follows:

21 (1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2
22 renewable sources;

23 (2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2
24 renewable sources;

25 (3) in 2008, 2.005% from Tier 1 renewable sources, including at least
26 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

27 (4) in 2009, 2.01% from Tier 1 renewable sources, including at least
28 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

29 (5) in 2010, 3.025% from Tier 1 renewable sources, including at least
30 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

31 (6) in 2011, 5.0% from Tier 1 renewable sources, including at least
32 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

1 (7) in 2012, 6.5% from Tier 1 renewable sources, including at least
2 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

3 (8) in 2013, 8.2% from Tier 1 renewable sources, including at least
4 [0.2%] **0.25%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

5 (9) in 2014, 10.3% from Tier 1 renewable sources, including at least
6 [0.3%] **0.35%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

7 (10) in 2015, 10.5% from Tier 1 renewable sources, including at least
8 [0.4%] **0.5%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

9 (11) in 2016, 12.7% from Tier 1 renewable sources, including at least
10 [0.5%] **0.7%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

11 (12) in 2017, 13.1% from Tier 1 renewable sources, including at least
12 [0.55%] ~~1.0%~~ **0.95%** derived from solar energy, and 2.5% from Tier 2 renewable
13 sources;

14 (13) in 2018, 15.8% from Tier 1 renewable sources, including at least
15 [0.9%] ~~1.35%~~ **1.4%** derived from solar energy, and 2.5% from Tier 2 renewable
16 sources;

17 (14) in 2019, 17.4% from Tier 1 renewable sources, including at least
18 [1.2%] **1.75%** derived from solar energy, and 0% from Tier 2 renewable sources;

19 (15) in 2020, 18% from Tier 1 renewable sources, including at least
20 [1.5%] **2.0%** derived from solar energy, and 0% from Tier 2 renewable sources;

21 (16) in 2021, 18.7% from Tier 1 renewable sources, including at least
22 [1.85%] **2.0%** derived from solar energy, and 0% from Tier 2 renewable sources; and

23 (17) in 2022 and later, 20% from Tier 1 renewable sources, including at
24 least 2% derived from solar energy, and 0% from Tier 2 renewable sources.

25 (c) Before calculating the number of credits required to meet the percentages
26 established under subsection (b) of this section, an electricity supplier shall exclude
27 from its total retail electricity sales all retail electricity sales described in subsection
28 (a)(2) of this section.

29 (d) Subject to subsections (a) and (c) of this section, an electricity supplier
30 shall meet the renewable energy portfolio standard by accumulating the equivalent
31 amount of renewable energy credits that equal the percentages required under this
32 section.

1 (g) (1) Energy from a solar water heating system is eligible for inclusion
2 in meeting the renewable energy portfolio standard.

3 (2) A person that owns and operates a solar water heating system
4 shall receive a renewable energy credit equal to the amount of energy, converted from
5 BTUs to kilowatt-hours, that is generated by the system that is used by the person for
6 water heating.

7 (3) The total amount of energy generated and consumed for a
8 nonresidential or commercial solar water heating system shall be measured by an
9 on-site meter that meets the required performance standards of the International
10 Organization of Legal Metrology.

11 (4) The total amount of energy generated and consumed by a
12 residential solar water heating system shall be:

13 (i) measured by a meter that meets the required standards of
14 the International Organization of Legal Metrology; or

15 (ii) 1. measured by the Solar Ratings and Certification
16 Corporation's OG-300 thermal performance rating for the system **OR AN**
17 **EQUIVALENT CERTIFICATION THAT THE COMMISSION APPROVES IN**
18 **CONSULTATION WITH THE ADMINISTRATION;** and

19 2. certified to the OG-300 standard of the Solar Ratings
20 and Certification Corporation **OR AN EQUIVALENT CERTIFICATION BODY THAT**
21 **THE COMMISSION APPROVES IN CONSULTATION WITH THE ADMINISTRATION.**

22 (5) A residential solar water heating system shall be installed in
23 accordance with applicable State and local plumbing codes.

24 (6) A residential solar water heating system may not produce more
25 than five solar renewable energy credits in any 1 year.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
27 construed to apply only prospectively and may not be applied or interpreted to have
28 any effect on or application to any contract existing before the effective date of this
29 Act.

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2012.